The DISCOUNT MART

REPRESENTATIVES WANTED

HOT CALIFORNIA LINE AVAILABLE

Manufacturer of the fastest selling products in California and Hawaii is looking for outlets, distributors, reps, for NEW PRIVATE LABEL. We manufacture for the leading brands of NYLON WALLETS, JOGGER SHOE POCKETS, BAGS, AND NYLON ACCESSORIES. The market for these products is exploding around the world. Large new factory means we keep up with your demand. Contact:

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The leading manufacturer of Outdoor and Indoor Cushions, Pads, and accessories seeks aggressive representation in all areas. Mass Merchandise, Discount Store and Supermarket coverage essential. Details and current lines carried please.

Box 4172
Discount Store News

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For very fast selling line of food products. Openings in various parts of the country now available for non-food accts and food accts. If interested call collect at (312) 766-0061 to **Edward Morton, MORTONS FOODS, 2471 United Lane, Elk Grove Village, ILL. 60007.**

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Prime Retail Locations
Springfield, IL & Mansfield, OH

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Springfield	Mansfield
20,000 sq. ft.	18,400 sq. ft.

With plenty of room for expansion

Store Rooms are ideal for either a food or a non-food operation. Located within two very successful established community shopping centers of appx. 200,000 sq ft each. Supermarket fixtures can be made available.

For a very attractive rental deal tailored to your specific needs, contact:

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Call Collect: 614-253-8654

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37 year old results-oriented shirtsleeve financial executive offers outstanding & extensive record in retail operational-oriented financial planning, reporting, analysis, cost control & total systems computerized management. Exceptionally skilled in profit improvement, inventory control, accounts payable & cash flow management & P.O.S. design & implementation. Highly regarded in the business, professional & banking community. Excellent communicator & people motivator.

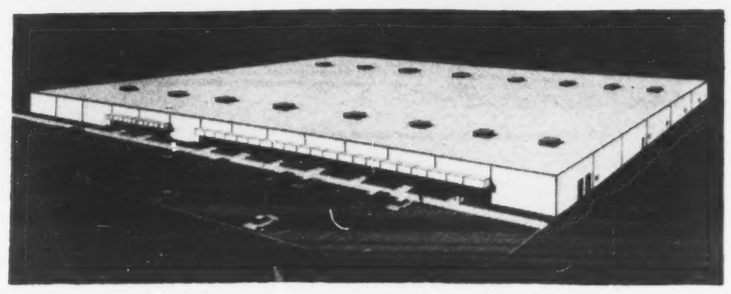
Box 4154
Discount Store News

FOR SALE

GERSHEL Bros.
215-468-8189

Address Box Replies To:
Box #, Discount Store News,
425 Park Ave., NYC 10022,
Att: Classified Dept.

WANTED — LAMP REPS



1. Must be aggressive, experienced Lamp Representative.
2. Competitive lines no conflict, our product stands on its own merit.
3. Must be selling lamps to mass merchandisers now.
4. Must be willing to make $10,000 per month in commissions.
5. Jimco Lamp Company is expanding from 80,000 sq. ft. to 200,000 sq. ft.
6. Larger facility will enable us to increase production from 10,000 lamps per week to 23,000.

IF YOU ARE INTERESTED IN JOINING THIS TYPE LAMP COMPANY — CALL RICHARD GREER (501) 935-6820 OR WRITE TO:

JIMCO LAMP COMPANY
P.O. BOX 1285
JONESBORO, ARK. 72401

REPS WANTED

Giftware, housewares, hardware oriented to mass merchandisers. Sensational new gift packaging now available. Unique concept in merchandising complete programs of glazed ceramic bathroom accessories, flower pots, picture frames, Christmas trees, macrame plant cradles, wooden plant & decor stands, baker's racks and fern stands. We provide customers with display fixtures. Our exciting approach gives us a distinct and immediate recognizable advantage over competition. Expanding well established line from west. Shipped full freight allowed.

Caleramics Originals, 4465 Sheila Street
Los Angeles, CA. 90023 (800) 421-6292

BUSINESSES WANTED

BUSINESS WANTED—Looking for a product and man to sell it to go with our "strong kitchen textile" line. A good future for the right match-up.

Reply Box 4170
Discount Store News

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CUT CREDIT LOSSES!

We collect your overdue bills nationwide without charging collection agency fees. Results guaranteed. Free sample kit. **Einar Fransen Jr., Dept. 062-1, 19860 Julie Ann Drive, P.O. Box 552, Hilmar, CA 95324.**

CLASSIFIED ADVERTISING THAT BRINGS RESPONSE . . .

The DISCOUNT MART

1979 Sampling of Blind Box Replies

No. of Blind Box Ads	Category	No. of Responses
47	Help Wanted	468
14	Reps Wanted	79
8	Lines Wanted	49

In this short period of time . . .
69 BLIND BOX ADS BROUGHT 596 RESPONSES!
Put the Classified Pages of Discount Store News to work for you—whatever your needs in and around the Discount Industry!

Send in your ad today
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FOR SALE & POSITIONS WANTED ADS REQUIRE PAYMENT IN ADVANCE

Top 40 Expansion

(Continued from page 1)

more stores this year for a total of 83. In 1979, the chain, headquartered in southern California, opened five stores.

The expansion leader this year, as usual, will be K mart with 210 stores slated to open by year's end. Fifty of them will conform to the chain's Group Nine prototype—a scaled-down, 50,000-sq.-ft. store the chain uses in rural and exurban markets (and to saturate the fringes of major metro markets).

The 45-store expansion plan on tap for Wal-Mart will give the Arkansas-based discounter 325 units by the end of the year, pushing it ahead of Zayre and into third place in store count.

In addition, 400 other potential Wal-Mart sites have already been identified for future growth.

Still Developing

According to a Wal-Mart executive, however, the chain is not relying on its expansion program exclusively to boost chain sales. Last year, improved operating procedures helped boost same-store sales by 16%.

Another chain gearing up for a flood of new store openings this year and next is Jefferson, the discount branch of Montgomery Ward, which has added approximately 30 stores

In 1979, the Miami-based chain absorbed Almart, added several units vacated by the now defunct J. M. Fields, and took over another two dozen stores that once belonged to Two Guys, Murphy's Mart and Ward. Those outlets will be opened under the Jefferson banner during 1980 and 1981.

On the downside, two troubled chains to watch for additional closings this year are Two Guys and Korvettes.

The new board proposed for Vornado, Two Guys' parent corporation, will be controlled by outside real estate interests who have expressed the desire in the past to close down stores and sell off the chain's lucrative properties outside the metropolitan New York/New Jersey area.

And earlier this year, Korvettes closed four Baltimore stores and 10 more in New York, New Jersey, Pennsylvania and Virginia. The chain is also expected to shed its last Philadelphia store, and may shut down its three New York City locations.

The closings are part of Korvettes' 11th-hour struggle to regain profitability and recapture lost market share.

Merchandising efforts that accompanied the store closings are aimed at putting the chain back in the "basic" discount store business at which it excelled in the 60's and early 70's.

534 New Stores Are Due in '80

Chain	Total stores 12/79	Openings in 1980	Projected total stores 12/80
K mart	1,688	210	1,898
T.G. & Y.	935	51(A)	986*
Woolco	417	39(B)	456
Gibson	381	(7)	374
Wal-Mart	276	45	321
Zayre	254	5	259
Rose's	227	12	239
Pamida	188	6	194
King's	191	1	192
Ames	100	13	113
Howard Bros.	95	10	105
Murphy's Mart	99	5	104
Target	80	20	100
Bradlees	83	5	88
Hills	80	7	87
Gemco/Memco	76	7	83
Heck's	75	8	83
Cook United	79	3	82
ALCO	65	8	73
FedMart	69	(1)	68
Fred Meyer	64	3	67
Jamesway	60	6	66
Fisher's Big Wheel	59	6	65
Barkers	60	0	60*
Caldor	56	8	64
Magic Mart	47	4	51
Jefferson	21	29(C)	50
Two Guys	48	1	49
Rink's	45	2	47
Venture	45	0	45
S. E. Nichols	43	1	44
Zodys	37	6	43
Gold Circle	42	0	42
Ayr-Way	41	0	41
Grand Central	32	0	32
ShopKo	27	4	31
3D (Danners)	26	3	29
Richway	18	3	21
Gee Bee	17	3	20
Clover	13	0	13
TOTALS	6,259	534	6,785

(A) Some of the new units to be opened this year by T.G. & Y. are conversions or expansions of existing variety stores.
(B) Woolco Canada, which operated 105 stores at the end of 1979, plans to open nine more in 1980.
(C) Jefferson's new stores include: acquisitions from Murphy's Mart, Two Guys, Almart/Hunter and Fields; operational takeovers of some northern Florida Montgomery Ward stores, and new construction in some Florida markets. ** DSN estimate*

Despite an uncertain economy, the top 40 discount chains plan to open 534 units this year, a net gain (after store closings) of 8.4% over last year. (DSN research)

Discount Store News

PRODUCT MOVEMENT AUDIT

Electrics: Drips, Personal Care, Ice Creamers Big

By Howard Bobroff
President,
Myron Nickman Distributors

A seasonal surge in demand for ice-cream makers, together with continued strong sales of drip coffeemakers, personal care electrics and lower-priced items in general, were the key trends in the electric housewares Product Movement Audit for the first quarter.

Stocking of seasonal items by discounters and other retailers resulted in a Proctor-Silex 4-qt. ice-cream maker jumping into the No. 2 spot on the specialty electrics chart while the Waring Ice Cream Parlor captured the No. 11 listing; Norelco's Lickety Split was No. 13.

The three ice-cream makers, along with hot-air popcorn makers and mini-deep fryers, made the specialty electrics classification No. 3 in total dollar movement. The 4,630 units moved were No. 4 in overall unit movement.

It's evident that specialty electrics have remained a viable classification due to the advent of hot-air popcorn makers—three of which made the report, including Wear-Ever's Popcorn Pumper As No. 1—and interest in seasonal items such as ice-cream makers.

A Closer Look

The top electrics classification in total dollar movement continued to be drip coffeemakers. The showing reflected the large movement of 8,282 units for second place in total unit sales, and the interest in higher-priced, traded-up models. The No. 1 item, North American's Mr. Coffee 12-cup unit with coffee saver, also had the highest average dollar retail at $39.88 of any drip coffeemaker.

The other heavyweight electrics classification was personal care appliances. Styler/dryers overall were the top classification in unit movement with 8,789 sold, and No. 2 in total dollar movement. Curling wands were No. 4 in dollar movement and No. 3 in unit movement.

Styler/dryers as a long-established classification illustrated the tendency of extensive competition to result in lower prices. Twenty different models made the report and 15 were under $20, with 11 under $15. The average retail price of the 20 units was $15.48.

A different story was evident in curling wands, where curling brushes are a relatively new item and tended to have a higher average retail than

(Continued on page 40)

ELECTRIC HOUSEWARES

Figures for these electric housewares PMA tables cover the period from Jan. 1-March 29, 1980. They were supplied by Myron Nickman Distributors, a division of Cook United, Maple Heights, Ohio. Nickman covers 900 stores, including 125 discount department stores in the Midwest. Average retail prices listed by the distributor reflect typical price points for discount clients.

STYLER/DRYERS

$ Rank Curr. List	$ Rank Prev. List	Item	Unit Movement	Average $ Retail	Total $ Movement
1	4	Gillette 1200W Supermax	706	22.83	16,117.98
2	15	Windmere 1250W Boss	856	13.13	11,239.28
3	—	Conair 1250W Vagabond	671	16.63	11,158.73
4	1	Conair 1200W Pro Sty w/brsh	504	21.75	10,962.00
5	11	Clairol 1200W One-for-the-Rd	456	20.14	9,183.84
6	8	Gillette 1000W Supermax 2	447	19.48	8,707.56
7	—	Northern 1200W compact	1,006	8.60	8,651.60
8	14	Northern 1000W	691	11.45	7,911.95
9	20	Northern 1200W Pro Blower	689	10.21	7,034.69
10	7	Conair 1000W Pro Dryer	475	13.68	6,498.00
11	2	Gillette 1400W Supermax Pro	355	18.15	6,443.25
12	5	Clairol 1200W Shoot the Brz	325	17.44	5,668.00
13	9	Conair 1200W Pistol Power	365	12.45	4,544.25
14	3	Sunbeam 1200W Win-Aire	332	13.19	4,379.08
15	18	Windmere 1200W Dry Baby	309	12.01	3,711.09
16	2	Gillette 1400W Supermax Pro	148	21.48	3,179.04
17	10	Clairol 1200W Son of A Gun	99	20.79	2,055.21
18	6	Norelco 1000W Gotcha Gun	160	11.71	1,873.60
19	16	Shetland 1200W Prony Pro	128	9.56	1,223.68
20	13	Norelco 1200W Gotcha Gun	64	14.26	912.64
		TOTALS	8,786		131,458.47

CURLING WANDS

1	—	Clairol Crazy Brush	1,330	13.43	17,861.90
2	2	Gillette Body & Curl	519	14.75	7,655.25
3	11	Norelco Curl Q	638	10.26	6,545.88
4	5	Dallas Hot Pick	540	11.43	6,172.20
5	9	Clairol Crazy Curl	501	12.08	6,052.08
6	2	Northern Pro Styling Brush	838	6.89	5,773.82
7	6	Norelco Wave Maker	378	14.30	5,405.40
8	3	Windmere Setting Pretty	806	5.58	4,497.48
9	8	Sunbeam Mist Stick swvl crd	431	8.46	3,646.26
10	13	Gillette Super Curl compact	133	13.41	1,783.53
11	—	Northenr Pro Iron, chrm	366	4.79	1,753.14
12	—	Windmere The Dry Iron	367	4.29	1,574.43
13	4	Windmere Kwik Kurl Wndr Bar	354	3.89	1,377.06
14	1	Windmere Curling Brush	151	8.71	1,315.21
15	10	Conair Littly Misty	60	10.46	627.60
		TOTALS	7,412		72,044.24

SLOW COOKERS

1	3	Rival 3½-qt almond	1,542	13.06	20,138.52
2	1	Rival 5-qt rmvbl lnr, beige	674	25.84	17,416.16
3	2	Rival 3½-qt rvmbl lnr	618	21.04	13,002.72
4	4	Van Wyck 6-qt rmvbl	222	24.35	5,405.70
5	—	Rival 1-qt Crock-ette	145	11.14	1,615.30
		TOTALS	3,201		57,578.40

FOOD PROCESSORS

1	1	Sunbeam Le Chef	102	109.46	11,164.92
2	—	Moulinex La Grande	69	82.35	5,682.15
3	2	Hamilton Beach Cuisine Mchn	89	62.73	5,582.97
		TOTALS	260		22,430.04

STAND MIXERS

1	1	Sunbeam w/dgh hk, wh	162	77.86	12,613.32
2	2	Waring 6-speed, 2-wy, wh	289	19.73	5,701.97
3	3	Hamilton Bch 12-sp, stnls bwl	86	33.29	2,862.94
		TOTALS	537		21,178.23

(Continued on page 40)

MOTORCRAFT

THE 8TH PLUG'S ON THE HOUSE.

BUY 7 PLUGS—GET THE 8TH ONE FREE. Every time you buy seven Motorcraft Spark Plugs, you get a free one. So every time your customers buy seven from you, you can give them a free one.

It's your chance to save. Your chance to help customers save. Your chance to increase sales and profits.

We'll be telling everyone about this money-saving offer and the Motorcraft product quality story on national radio during May and June. Today's value-conscious buyer will be anxious to take advantage of this excellent offer.

Make sure you're ready to take advantage of the sales potential. Get in touch with your participating Motorcraft supplier now. Our "8th Plug's On The House" offer ends June 30, 1980.

Motorcraft Ford

...FOR SURE

Woolco, Rising Sun Plaza, Philadelphia, uses a cube display to cross merchandise all hair care appliances together with make-up mirrors for tie-in sales. (DSN photo)

ELECTRIC HOUSEWARES

(Continued from page 39)

BLENDERS

$ Rank Curr. List	$ Rank Prev. List	Item	Unit Movement	Average $ Retail	Total $ Movement
1	2	Oster 10-speed	458	24.05	11,014.90
2	1	Hamilton Beach 7-spd, almnd	465	19.79	9,202.35
3	5	Hmltn Bch 14-sp Bindr Pls, gld	185	29.30	5,420.50
4	6	Waring 15-button, White	149	25.94	3,865.06
5	4	Oster 10-speed, gls bwl	130	29.15	3,789.50
		TOTALS	1,387		33,292.31

HAND MIXERS

1	3	Hamilton Beach 3-spd, gold	1,017	11.03	11,217.51
2	5	Hmltn Bch 5-sp w/case, almnd	325	18.79	6,106.76
3	1	Sunbeam 5-sp, Brst of Pwr, wh	287	21.27	6,104.49
4	2	Sunbeam 3-speed, wh	453	10.73	4,860.69
5	—	Moulinex hnd mx w/dgh hks	170	22.15	3,765.50
6	4	Waring 6-sp, wh	210	12.75	2,677.50
7	6	Betty-G 5-speed, wh	180	9.99	1,798.20
		TOTALS	2,642		36,530.64

TOASTERS

1	3	Proctor-Silex 2-slc, prm	1,631	12.21	19,914.51
2	4	Proctor-Silex 4-slc, prm	506	18.26	9,239.56
3	2	Proctor-Silex 2-slc, pstry	554	16.23	8,991.42
4	1	Toastmaster 2-slc, pr, almnd	653	12.44	8,123.32
5	5	Toastmaster 4-slc, dual cntrl	241	28.34	6,829.94
6	6	Proctor-Silex 4-slc, pstry	224	23.99	5,373.76
		TOTALS	3,809		58,472.51

(Continued on page 43)

Discount Store News

PMA®

PRODUCT MOVEMENT AUDIT

Hot Electrics

(Continued from page 39)

wands that have been on the market for a number of years.

The four curling brushes on the audit had an average retail of $12.34 compared with $9.96 for the five wands that made the listing. In fact, the three highest average prices were for curling brushes. What can be expected to happen over time is that curling brush retails will drop, as happened with wands and styler/dryers.

Pressure will also build for lower price points for curling wands as part of the overall thrust to lower retailer prices for electric housewares and particularly for those items that sell everyday.

This situation can be clearly seen in the average retail prices for the basic classifications of slow cookers, toasters, irons and can openers. In almost all cases, the top-moving item tended to be among the lowest-priced models in each classification.

What seems to be happening

(Continued on page 43)

Fast Movers, New Stars

The following "High Risers" chart lists the items (and their rank) that have moved up five or more places from the previously published Myron Nickman Distributors electric housewares PMA. In addition, under the heading "New Items" are products (and their rank) that are appearing on the report for the first time.

Category/Item	Rank
HIGH RISERS	
STYLER/DRYERS	
Windmere 1250W Boss	2
Clairol 1200W One-for-the-Road	5
Northern 1200W compact	7
Northern 1000W	8
Northern 1200W Pro Blower	9
CURLING WANDS	
Norelco Curl Q	3
Windmere The Dry Iron	12
DRIP COFFEEMAKERS	
Mr. Coffee 10-cu delx w/svr	5
SPECIALTY ELECTRICS	
Proctor-Silex ice cream maker	2
Hamilton Beach Fry All	7
Presto Gran Pappy	10
Waring Ice Cream Parlor	11
Presto Fry Baby	12
Norelco Lickety Split	13
SLOW COOKERS	
Rival 1-qt Crock-ette	5
CAN OPENERS	
Rival, almond	1
Rival, gold	4
IRONS	
Sunbeam steam iron promo	2
Hamilton Beach Speed-O-Light II	8
NEW ITEMS	
CURLING WANDS	
Clairol Crazy Brush	1
Northern Pro Iron, chrome	11
FOOD PROCESSORS	
Moulinex Le Grande	2
HAND MIXERS	
Moulinex w/dough hooks	5

A day in the small world of Gerber begins with a call from your Gerber representative.

TUESDAY 10:15am

Your Gerber Representative is eager to tell you about the best quality child care products you can carry. Each one of the over 400 items is designed and manufactured with care, and backed by the name mothers have trusted for more than fifty years.

And your dollars are backed with a complete range of retail marketing programs, including advertising, merchandising, displays, special sales and promotional allowances.

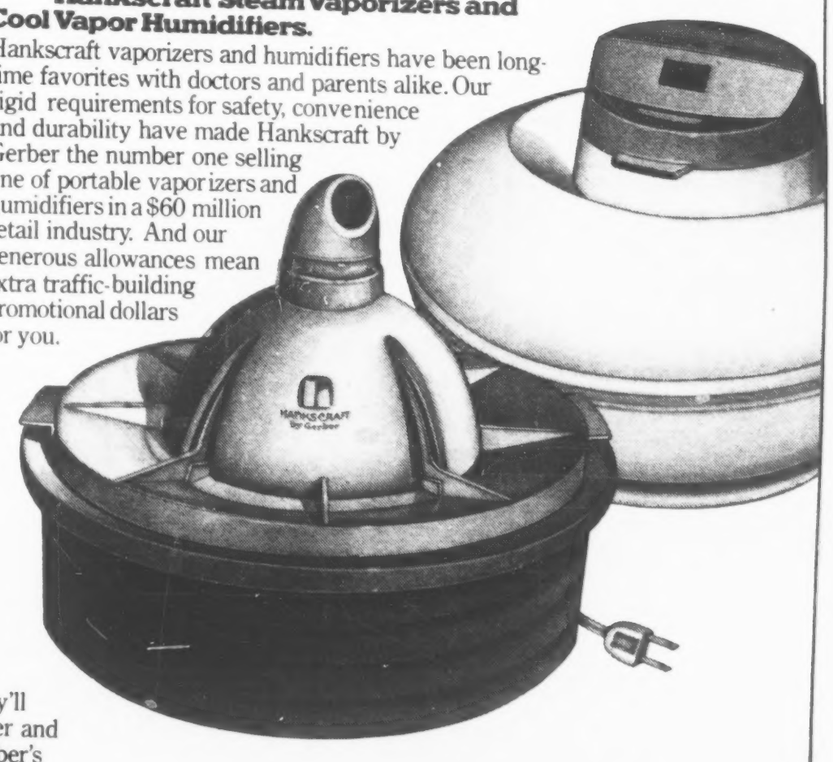
Why not let your Gerber Representative help you plan a child care department that means extra profits for you and extra convenience for your customers? You can stock a large variety of items from a single invoice when the name on top is Gerber. And your customers will be glad you did.

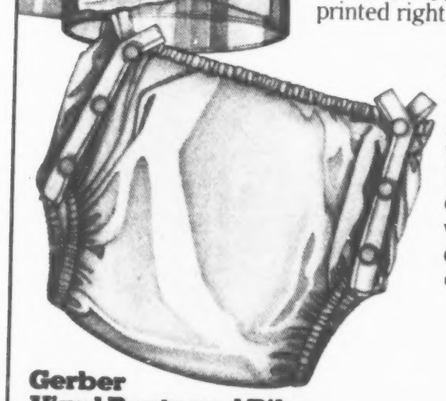
Gerber Knitted Underwear.
We've woven 100% cotton into a full line of comfort-fitted underwear that's guaranteed not to shrink out of fit even when machine washed and dried. Be prepared to hear your customers praise our line. And in a $70 million retail market, praise means profit.

Gerber Sterilizers and Feeding Appliances.
Our full range of feeding dishes, sterilizers and bottle warmers represents high quality to your customers and high unit sales to you. The feeding appliance market is at $30 million retail and growing. And who knows more about feeding babies than Gerber?

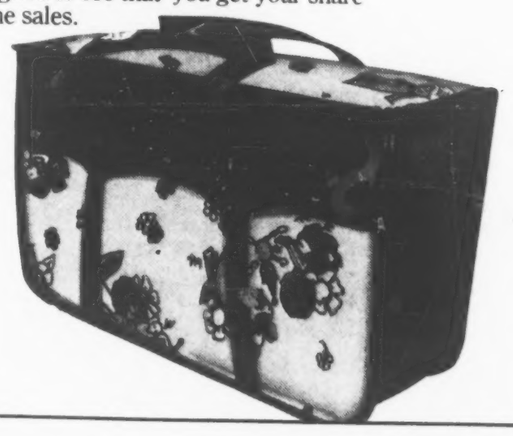
Gerber Nursers and Nurser Accessories.
Gerber has this more than $100 million retail category covered with a full range of high quality nurser systems and related accessories. Mothers are particularly enthusiastic about our disposable nurser system, which features a snap-off hood, a stand-up nipple, and ounce markings printed right on the disposable bottles.

Hankscraft Steam Vaporizers and Cool Vapor Humidifiers.
Hankscraft vaporizers and humidifiers have been longtime favorites with doctors and parents alike. Our rigid requirements for safety, convenience and durability have made Hankscraft by Gerber the number one selling line of portable vaporizers and humidifiers in a $60 million retail industry. And our generous allowances mean extra traffic-building promotional dollars for you.





Gerber Diaper and Carry-All Bags.
Even the busiest mothers want to travel in style. That's why they'll be spending $15 million on diaper and carry-all bags this year. And Gerber's wide selection of styles and prices is designed to see that you get your share of the sales.



Gerber Vinyl Pants and Bibs.
Last year, over $45 million retail were spent on vinyl pants and bibs by customers like yours. Gerber accounted for 50% of the pant sales and 20% of the bib sales. In short, no one sells more vinyl babywear than Gerber. This year, the vinyl pant 3-pack will go a long way to increase unit sales even further. So make sure you get your share.

The small world of Gerber is more than baby food.

Gerber®

Babies are our business... and have been for over 50 years.

Gerber Products Company, Fremont, MI 49412

Discount Store News

PRODUCT MOVEMENT AUDIT

Hot Electrics

(Continued from page 40)

is that discounters and other retailers are focusing on the lower-priced units in basics as the way to maintain traffic and sales. In irons, for example, the unit with the highest unit movement was Proctor-Silex's steam iron which also carried the second lowest average retail price (excluding the Struhl travel iron), while in the slow-cooker area, the basic Rival 3½-qt. model with the lowest average retail captured the highest unit movement.

The one major exception to the trend was in the food processor classification, where the top-moving item was Sunbeam's Le Chef model, which also had the highest average retail. Food processors are still a new enough classification that functional differences are reflected in different average retail prices and step-up models can command a higher ticket.

ELECTRIC HOUSEWARES

(Continued from page 40)

CAN OPENERS

$ Rank Curr. List	$ Rank Prev. List	Item	Unit Movement	Average $ Retail	Total $ Movement
1	7	Rival, almond	1,092	10.40	11,356.80
2	2	Rival w/knife shrp, almnd	525	11.91	6,252.75
3	6	Rival slim w/knf shrp, wh	427	14.03	5,990.81
4	—	Rival, gold	389	10.18	3,960.02
5	5	Betty-G w/knf shrp, wh	385	9.73	3,746.05
6	3	Waring w/knf shrp, gold	265	13.30	3,524.50
7	4	Rival w/knf shrp, gold	228	12.05	2,747.40
8	1	Oster, white	98	16.16	1,583.68
		TOTALS	3,409		39,162.01

IRONS

1	1	Proctor-Silex steam	1,106	12.55	13,880.30
2	8	Sunbeam prmtnl steam iron	632	12.09	7,640.88
3	2	Sunbeam self-clean	230	27.54	6,334.20
4	4	Proctor-Silex steam/spray	410	15.20	6,232.00
5	3	Proctor-Silex steam/spray	269	19.70	5,299.30
6	6	Sunbeam prmtnl self-clean	221	21.48	4,747.08
7	7	Hamilton Beach Smart iron	147	29.30	4,307.10
8	—	Hamilton Beach Spd-O-Lght II	140	17.16	2,402.40
9	9	Sunbeam Today iron	115	20.03	2,303.45
10	10	Struhl travel iron	336	5.94	1,995.84
		TOTALS	3,606		55,142.55

DRIP COFFEEMAKERS

1	1	N Amr Mr Cof 12-cp w/svr	2,267	39.88	90,407.96
2	4	Proctor-Silex 10-cup	2,200	20.21	44,462.00
3	7	Norelco 10-cp Dial-A Brew	1,460	25.49	37,215.40
4	2	N Amr Mr Cof 10-cup	1,330	25.33	33,688.90
5	—	N Amr Mr Cof 10-cp dlx w/svr	354	37.66	13,331.64
6	8	Regal 4-cp mini-drip	322	15.76	5,074.72
7	5	Norelco Express 4-cup	229	20.49	4,692.21
8	3	N Amr Mr Cof 10-cp w/svr	68	34.29	2,331.72
9	6	Norelco 12-cp Dial-A-Brew	52	35.10	1,825.28
		TOTALS	8,282		233,029.83

SPECIALTY ELECTRICS

1	1	Wear-Ever Popcorn Pumper	1,789	27.53	49,251.17
2	—	Proctor-Silex 4-qt ice crm frzr	548	13.96	7,650.08
3	2	Presto Popcorn Now	240	31.59	7,581.60
4	6	Presto Fry Daddy	282	24.85	7,007.70
5	8	Hamilton Beach Fry All	364	17.71	6,446.44
6	4	Hamilton Beach Bttr Up Pppr	421	14.78	6,222.38
7	—	Hamilton Beach Air Pppr	98	32.14	3,149.72
8	7	Mirro Butter/Rite crn pppr	253	9.89	2,502.17
9	5	Toastmaster mini-grddl	98	22.64	2,218.72
10	—	Presto Gran Pappy	72	28.91	2,081.52
11	—	Waring Ice Cream Parlor	99	20.55	2,034.45
12	—	Presto Fry Baby	73	20.15	1,470.95
13	—	Norelco Lickety Split	121	11.95	1,445.95
14	9	Presto Hot Dogger	172	7.95	1,367.40
		TOTALS	4,630		100,430.25

Source: Myron Nickman Distributors

Jamesway's 4th-Qtr. Earnings Up 8%

SECAUCUS, N.J.—Jamesway reported record sales and earnings for the fourth quarter and year ending Feb. 2, 1980.

Fourth-quarter net income rose 8% to $3,266,000, or $1.17 per share, on revenues of $80,525,000. Sales rose 20%, excluding leased departments, in both periods.

Net income for the year climbed 10% to $6,371,000, or $2.29 per share, on sales of $242,409,000, excluding leased.

Calendar Of Events

National Mass Retailing Institute
Fairmont Hotel, New Orleans, May 10-14

Sporting Goods Manufacturers International Show & Active Sportswear and Footwear Expo
Expo Center/Fashion Mart, Chicago, June 15-18

National Stationery Show
New York Coliseum, New York, May 18-21

National Bath, Bed & Linen Show
New York Coliseum, New York, June 1-4

Consumer Electronics Show
McCormick Place, Chicago, June 15-18

Transworld Housewares and Variety Show
O'Hare Exposition Center, Chicago, July 11-16

National Housewares Manufacturers Association
McCormick Place, Chicago, July 14-17

American Fishing and Tackle Association
St. Louis, July 31-Aug. 3

SPARC '80 Supplier Performance Award by Retail Category Dinner
Chicago Marriott, Chicago, Aug. 10

National Hardware Show
McCormick Place, Chicago, Aug. 10-14

National Mass Retailing Institute's Loss Prevention Conference
Dutch Inn, Lake Buena Vista, Fla., Sept. 3-5

Automotive Parts and Accessories Association
Georgia World Congress Center, Atlanta, Nov. 1-3

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In just the past two years, Rubbermaid Bird Feeder sales have doubled. If yours haven't, maybe you're missing out on some handsome profits.

The key to success with bird feeder sales this fall is to make your plans now. And as an added incentive, we will give you an extra 10% discount on your Fall Bird Feeder order if you act before June 30.

Ask your Rubbermaid representative for complete details on Rubbermaid's Fall Bird Feeder Program and Early Order Discount.

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Discount Store News

NMRI CONVENTION PERSPECTIVE
NATIONAL MASS RETAILING INSTITUTE

Kenny, Walton Warn Discounters

Trade-up Trend May Open Door to Bargain-Outlet Foes

NEW ORLEANS—What do discounters see coming in the 1980's—"A Time of Change" is the NMRI theme—that will force changes in the industry?

Competition, first and foremost, will be changing. Not only will there be changes in other segments of retailing, but intra-industry competition will intensify.

As one convention speaker put it, "There are no undiscovered cities and everyone knows about Taiwan. Discounters can no longer rely on unique merchandise assortments or store locations."

Trading up in merchandise and presentations that has taken place in recent years has both a positive and a negative side. Jefferson's president David Kenny sees another type of competition developing as a result of trade-ups.

"Discounters faced three tiers of competition in the 1970's, from department stores, specialty shops (including the catalogers) and general merchandise chains such as Sears and Penney," Kenny said. "As discount stores have traded up, they have created a price vacuum below, and a fourth layer of competition is emerging in the 1980's. Price-conscious customers are going to shop at places like flea markets and other types of stores that can undersell discounters."

"Discounters faced three tiers of competition in the 1970's, from department stores, specialty shops and general merchandise chains. . . ."—David Kenny, President, Jefferson.

Wal-Mart chairman Sam Walton agreed. "There are a lot of us who are thinking about the trade-up route, but we must be careful to remain true discounters. Otherwise the trade-ups could go too far, and the trend of the food industry could be followed, with bare-bones, bargain-store competition emerging."

One of the great positive effects of trading up has been in consumer acceptance, which some discounters see as the prime benefit moving into the 1980's.

"We have gained consumer acceptance that we did not have in the 1960's and have also gained in professionalism of our operations as an industry," said S. E. Nichols president Manfred Brecker, "and for the first time we received a fashion image in the late 1970's. This will be a great benefit for those who are able to exploit it in the 1980's."

Expansion of store numbers has traditionally accounted for much volume growth, but several discounters and analysts predict that growth of store units will slow in the 1980's.

"I still see more consolidation and acquisitions as some weaker sisters in the industry will be squeezed out," Kenny said. Brecker, noting the high cost of building today, said "there will be less building in the years to come, and because people can't afford to build, there will be more takeovers."

High interest rates in recent months have slowed many chains' expansion plans, although this is seen as a short-term problem and not a long-term obstacle.

"Immediately, the cost of money has restricted our expansion plans," said ALCO's president Robert Soelter, "but once they come down to an acceptable level we will bring the plans back. They were not cut, they were just put on the back burner."

"There are a lot of us who are thinking about the trade-up route, but we must be careful to remain true discounters."—Sam Walton, Chairman, Wal-Mart.

While the cost of money is expected to tail back down from present levels, the cost of building is not likely to.

"The No. 1 problem coming at us is to be able to build or rent a store at a reasonable cost or rate," said Jamesway's chairman Herb Fisher, commenting on changes to come in the next few years.

"There has been some talk of fluctuating mortgage rates, which is frightening," Fisher said. "Two things we are doing to overcome the problem is to reduce the specifications on our stores—making them without frills and cutting down on lighting and air-conditioning, for example—and trying to develop new ways to finance expansion. We are considering such things as joint ventures with developers."

Discounters are split on the point of ownership of stores, however. ALCO's Soelter said: "We do not want to commit our capital to buildings; we would rather have it in merchandise."

Discounters agree that productivity from existing units becomes a challenge in a time of continued inflation and high cost of additional units. Changes in both operations and merchandising are on the way for the 1980's.

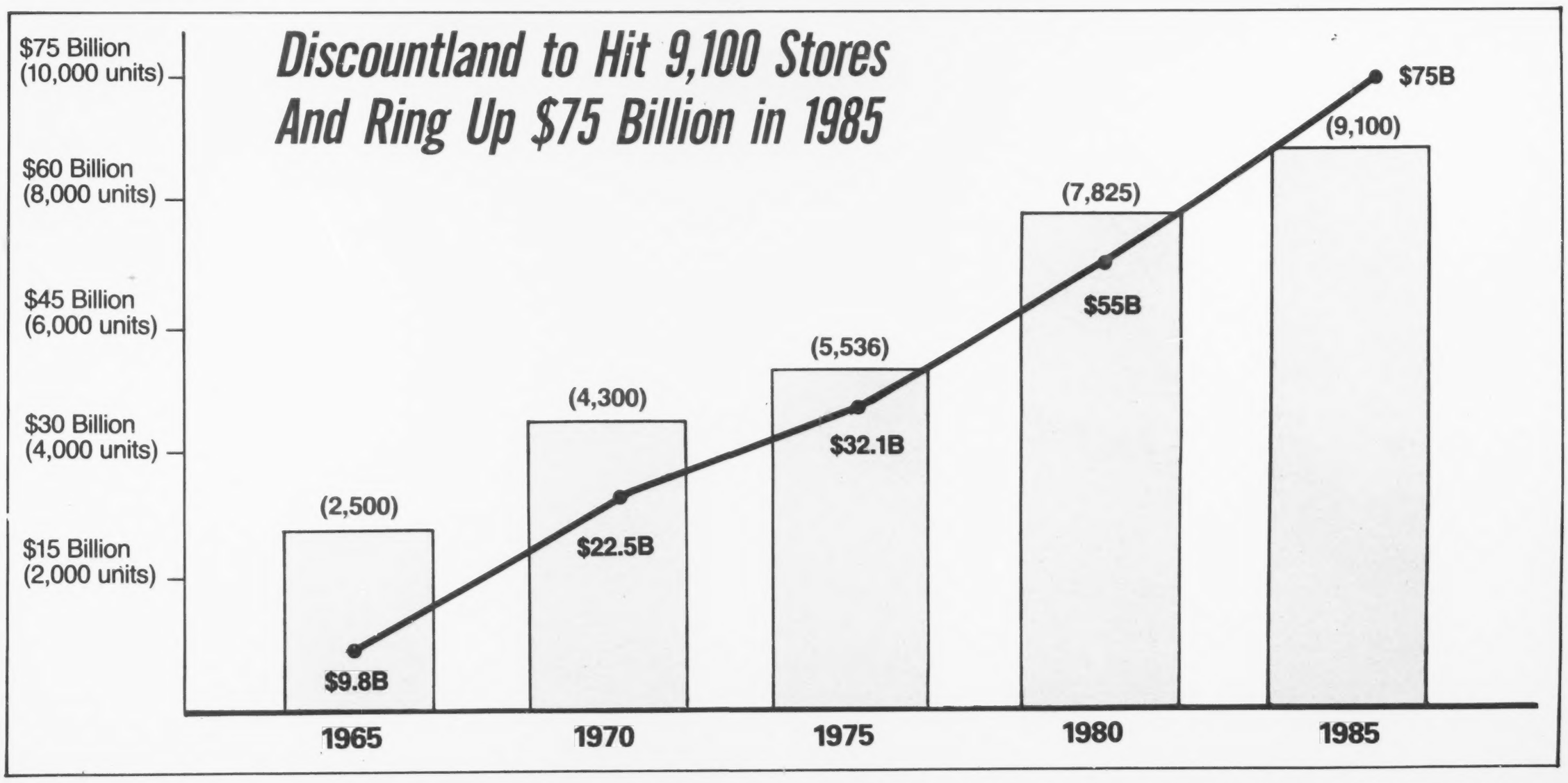
Soelter said ALCO's management is looking forward to the deregulation of the trucking industry to allow the chain to haul merchandise that is not its own, since the chain must make deliveries to faraway stores.

Jamesway's Fisher said his chain is purchasing its own telephone system, cost-justified because of its adaptability to the company's needs and long-term savings. Jamesway is also installing terminals at the receiving docks of new stores (also equipped with POS systems) to eliminate the hand paperwork

(Continued on page 151)

"We have gained consumer acceptance that we did not have in the 1960's and have also gained in professionalism in our operations as an industry."—Manfred Brecker, President, S. E. Nichols.

Discountland to Hit 9,100 Stores And Ring Up $75 Billion in 1985



The discount industry has been a strong performer over the past 15 years, and by all estimates that growth will continue. In 1985, DSN estimates that there will be 9,100 discount stores in operation across the country ringing up $75 billion in sales—a 36% jump over this year's anticipated sales of $55 billion . (DSN research)

NMRI CONVENTION PERSPECTIVE
NATIONAL MASS RETAILING INSTITUTE

Execs Warn Trade-up Trend May Open Door to Bargain-Outlet Foes

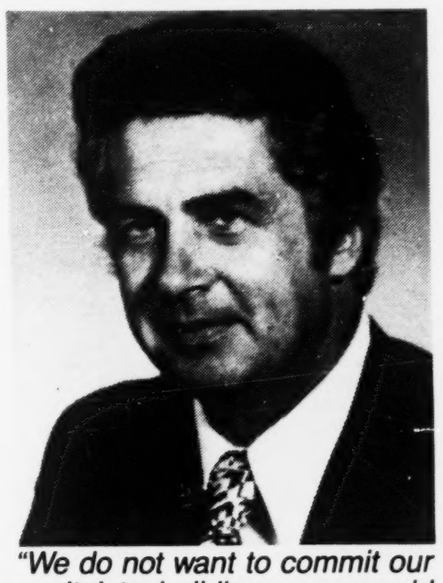
(Continued from page 49)
in receiving goods.

At Wal-Mart, Sam Walton said: "We have started a program of transporting our employees by bus to Searcy and Bentonville from outlying areas. We feel we are saving a lot of gas, and we plan to expand the program."

Cost of gasoline, of course, is seen as a big factor in determining consumer shopping habits in the 1980's. For many discounters, positioned as the neighborhood store, the high gasoline prices are seen as a plus.

"Regional mall competition will decline because a mall requires a base of customers from such a wide area," Brecker said. "A customer would cherry-pick stores by product category in the past looking for the cheapest price, but now more money is burned up in gas than is saved, so this is coming to an end. Customers will look for the store with the most products at the best price, not each one at the cheapest."

What this means is that discounters will have to develop sharper merchandising techniques to get customers to stay in the stores longer and purchase more. This becomes an even greater need as stores are scaled down due to energy and building costs.



"We do not want to commit our capital to buildings; we would rather have it in merchandise." —Robert Soelter, President, ALCO.

"We will have to find more efficient ways of displaying merchandise," Kenny said, "to compensate for less space. The art of merchandising will become more scientific in the 1980's, as more medium-term planning will be done instead of traditional planning for the next season."

As discounters try to plan merchandise direction two to three years down the road, inventory movement will be more carefully scrutinized and new yardsticks of performance will develop.

"More qualitative analysis of sales data will be developed in the 80's," Kenny said. "Not only will sales per square foot be a criterion for determining what merchandise to sell, but also gross margins per foot."

"Two things we are doing to overcome the [mortgage rate] problem is to reduce the specifications of our stores . . . and trying to develop new ways to finance expansion."—Herbert Fisher, Chairman, Jamesway.

Washington Beat

(Continued from page 26)
plans."

In his testimony, Hutchinson set forth five general principles which he said retailers consider important to *any* standby Federal plan:

1. It is designed to be used only in a real emergency;
2. It is understandable by those affected;
3. It is enforceable;
4. It is fair, and
5. It is effective.

Those five principles, he noted, "have led retailing to one central conclusion. The best plans are the ones which focus on results and the worst plans are the ones which 'prescribe' specific methods."

The recent shifts in attitude by Energy Department officials should encourage retailers, and when the Federal Standby Conservation Plan is finally released, it is possible that the proposals will be acceptable to the retailing community.

Department officials frankly admit that they are looking for new ideas. Retailers should send their suggestions to the Energy Department's Office of Emergency Conservation Programs even though the official comment period has ended.

Parley Will Air Retail Credit

HOUSTON—A variety of informational programs concerning new developments in the area of retail credit will be offered here when the National Retail Merchants Association holds its 60th Financial Executives Division Conference in June.

"The Changing Structure of Retail Credit" will be the key presentation at the conference to be held in the Shamrock Hilton from June 1 to 5. Richard Kerr, operating vice president-credit, of Federated Department Stores, Cincinnati, will give the talk.

Those attending the conference will also hear a discussion on financial management in inflationary times to be given by Len W. Arensten, vice president and controller of Batus Inc., of Louisville, Ky., and Peter M. Fahey, vice president of Goldman, Sachs & Company, New York.

Other discussions will include the latest developments in the Employee Retirement Income Security Act and issues involving the Financial Accounting Standards Board.

Anyone interested can register by contacting the Financial Executives Division, NRMA, 100 W. 31 St., New York, N.Y., 10001. The fee for members is $175; $825 for five or more from the same firm. Nonmembers' fee is $250 each.

You'll think Amalie's new Imperial 2 is made of money!

The way Amalie's new Imperial 2 saves gas, you might think it costs a lot. But since it costs so little, you may think it doesn't perform up to the standards of those more expensive 10W-40 Fuel Efficient motor oils.

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NMRI CONVENTION PERSPECTIVE
NATIONAL MASS RETAILING INSTITUTE

Most of the Top 17 Discount Chains Boosted Sales, Earnings in 1979

Most of the top 17 chains recorded increased sales and earnings, with Zayre, Pamida, Wal-Mart and Heck's among those with the highest percentage increases.

K mart's sales topped $12 billion and earnings reached $358 million. Woolco the closest competitor, had sales of $1.9 billion. (Parent F. W. Woolworth does not break out Woolco's earnings.)

Bradlees' income was lower in 1979 than in 1978, but the chain attributed part of the decrease to its changeover to LIFO accounting procedures. Two Guys continued to reflect 1978 income losses. At Gee Bee, 1979's income drop was caused by an insurance recovery that had boosted the 1978 earnings.

Venture, which also saw an income decrease, said no new stores are planned for 1980. Only two went up last year. Remodeling and updating of existing stores are scheduled, however.

King's opened one new store in the current fiscal year and is not budgeting for additional units.

Jamesway gained 10 units in 1979 but plans only four for this year, two of which are already in operation.

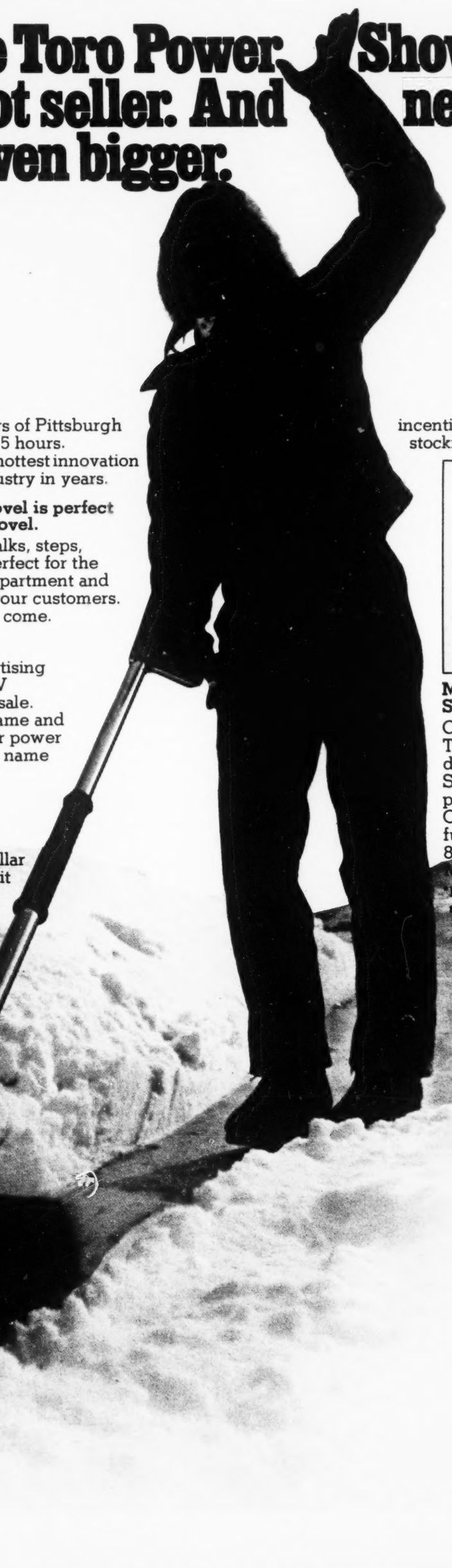
Pamida opened one store in 1979, closed 10 and relocated three. Instead of new units, their thrust will be to internal expansion.

The year 1979 was an "open and shut" one for discounters: When they opened new stores, it often meant shuttering old, less profitable units. With a hopefully brighter economic picture for 1981, more discounters are again looking at the possibility of increasing their store count, but for now, some are just continuing the trend begun in 1978.

Chain	Sales (add 000) 1979	Sales (add 000) 1978	Earnings (add 000) 1979	Earnings (add 000) 1978
K mart[A]	$12,249,000	$11,208,000	$358,000	$343,706
Woolco	1,895,000	1,710,000	N/A	N/A
Zayre	1,345,000	1,223,000	52,235*	38,630*
Wal-Mart	1,248,000	900,298	41,151	29,447
Target	1,100,000	898,671	N/A	N/A
Two Guys	733,363	702,377	(750)[B]	10,658
King's	576,176	540,608	15,494	15,067
Bradlees	540,057	493,033	14,948[C]*	16,021*
Caldor	562,800	475,733	19,500	15,471
Venture	536,000	461,000	8,000*	12,000*
Murphy's Mart	392,781	345,595	N/A	N/A
Big K	298,167	328,127	1,738	(418)
Pamida	333,463	318,800	3,053	528
S. E. Nichols	217,127	214,396	3,540	3,121
Jamesway	242,409	202,293	6,371	5,816
Heck's	215,000	179,000	32,000[D]	21,693[D]
Gee Bee	156,893	146,025	2,649	2,741
Total	$22,641,236	$20,346,956	$557,929	$514,481

[A] K mart sales figures represent discount stores; earnings figures are corporate.
[B] Includes previous year's losses, extraordinary income from sale of assets and operating losses carried into last completed fiscal year.
[C] Reflects $2,357,000 loss from change to LIFO accounting.
[D] Includes Heck's discount and shoe store incomes.
** Divisional operating income; N/A—Not available; ( ) Loss.*

To the Toro Power Shovel.™ This year's hot seller. And next winter looks even bigger.



Proven seller.
Example: Claber's Home Centers of Pittsburgh sold 379 Toro Power Shovels in 5 hours.
The Toro Power Shovel is the hottest innovation to hit the power equipment industry in years.

At $99.95,* the Toro Power Shovel is perfect for people who don't like to shovel.
Why? Because it's perfect for walks, steps, porches, parking places. And perfect for the massive market of city people, apartment and townhouse people. Perfect for your customers. It's truly an idea whose time has come.

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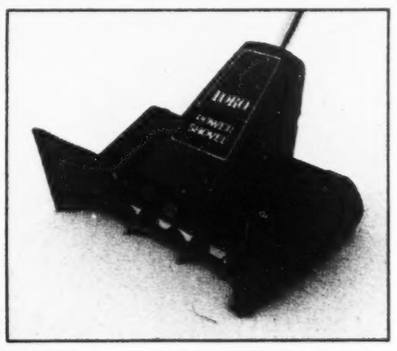


Make room for the Toro Power Shovel. It's coming through.
One quick call to Toro or your Toro distributor delivers full details on the new Toro Power Shovel, its market promise and profits. Plus a demonstration. Call now. 612-887-8331 to get full details. The Toro Company, 8111 Lyndale Ave. So., Minneapolis, Minnesota 55420.

*Manufacturer's suggested retail price, subject to local dealer option.

TORO

Schott to Mgt.

(Continued from page 104)

competition is selling," Schott explained.

Among the changes Schott recommended are better incentives for buyers to remain in discounting and more diligent recruitment of buyers. All too often, he indicated, discounters lose the "cream-of-the-crop" buyers to other retail segments. As a result, Schott said, discounters end up "pirating" top-notch buyers from competitors, resulting in distinct similarities of merchandise mix among stores.

Jamesway's Lazarus will outline steps that the New Jersey-based discounter has initiated recently to better utilize buyers' time.

Execs Urge

(Continued from page 106)

tem.

"By centralizing rebuying at headquarters," Dennis said, "we were able to improve our turn by three."

Dennis, who will also discuss such issues as warehouse mechanization and computer support, noted that the emphasis on precommitment buying had enabled the chain to achieve better results with fewer people. The system also served to reduce warehouse sku's, he said.

Glass will cover backroom productivity, focusing on development of a flow-through system. "The backroom should be a processing area," he said. "Merchandise should be received, marked, and then flow right on through to the floor. Too many backrooms are used simply for storage, and this keeps productivity down."

Glass also urged specialization of backroom personnel. "People should be trained for particular jobs," he said.

Touche Ross/DSN Survey of POS-System Users:

EDP to Play Ever-Increasing Role in Management and Merchandising

Nationwide DSN Survey

A recently completed point-of-sale (POS) terminal systems survey completed by Touche Ross & Co. and *Discount Store News* has underscored the information systems revolution that will dominate retailing in the 1980's.

In both operational and merchandising strategies for the coming decade, electronic gathering and interpretation of data will play an ever-increasing role in answering complex questions of sophisticated inventory management, maximizing return on investments and assets, and fine-tuning assortments to meet the needs of customers' rapidly evolving lifestyles.

The survey results are based on responses from thirty chains, operating more than 3,000 stores in six different regions of the country. Total sales volume for the sample exceeds $8 billion, and the sample includes parent corporations, subsidiary firms, and public and privately held companies.

Responses were received in almost equal portions from discount department store chains with sales in the $1 million to $50 million range, $51 million to $150 million, $151 million to $250 million, $251 million to $350 million and over $350 million. (See chart.)

	Fully POS-installed Chains	Partially POS-installed Chains
Typical Number of POS terminal systems per store		
—Range	5-50	7-30
—Average	17	15
Typical Selling Space in sq. ft.		
—Range	35,000 to 140,000	20,000 to 130,000
—Average	54,000	56,000
Average Selling Space per POS Terminal System, in sq. ft.	3,176	3,733

Chains with partial POS installations averaged close to 4,000 sq. ft. per terminal; fully POS-equipped chains hit 3,176.
(Touche Ross/DSN research)

Of those responding, 39% reported they were fully POS-installed, 42% reported being partially POS-equipped, and 19% reported no POS installations. Where a primary mainframe computer was in use, 64% of the respondents reported using an International Business Machines system, 14% an NCR system, 4% each reported using Burroughs or Wang equipment, and 14% use a service bureau.

In addition to using the POS terminal systems as cash registers, chains are processing reports at the mini-computer or terminal level (62% of the respondents), recording layaways (57%), tracking markdowns (52%) and making on-line transmissions of data to in-store computers.

Other uses, in descending order of frequency, are on-line transmissions to a central computer (33%), printing merchandise descriptions on sales slips (29%), capture of sales data on cassettes (24%), transmission of messages between stores (24%), tracking promotions on sales slips (14%), scheduling sales help on POS systems (14%) and getting bank credit card authorizations (10%).

A smaller percentage—5% in each case—use the POS terminal systems to capture sales help payroll data, track merchandise transfers and for big-ticket processing.

The versatility of even the current state of the art in POS systems is demonstrated by the 29% of the respondents who indicated "other" uses for the equipment.

Automated retail systems being utilized by the firms that have POS equipment were as diverse. Sales audits were made electronically by 64% of the responding firms, and flash sales information was captured by 73%. Systems for automatic sales analysis (91%) and sales help scheduling (9%) were also reported. On the purchasing side, purchase order management (18%) and big-ticket inventory control (9%) were reported, as were automatic controls for fashion inventories (64%), accounts payable (82%), staples inventory (55%) and open-to-buy (36%). Again, a high percentage of responding firms (27%) found "other" uses for POS terminal systems in automated systems on the purchase side.

Almost hal of the companies surveyed are currently using machine-readable tickets or labels, including OCR-A (11%), print/punch (11%), magnetic (7%), black and white bar (7%), color bar (4%) and UPC (4%).

(When asked specifically about the future implementation of OCR-A ticketing or labeling, 24% of the respondents reported a one-year time frame for introduction of OCR-A, 26% reported either two- or three-year plans, and 13% were planning for five years away. The

(Continued on page 158)

Ways in Which POS Terminal Systems Are Used Currently	
Cash Register	100%
Register Balance	100%
Report Processing at Mini-Computer or Terminal Level	62%
Layaways	57%
Markdowns	52%
On-Line Transmission to Store Computer	52%
On-Line Transmission to Central Computer	33%
Printing Merchandise Description on Sales Slip	29%
Transmission of Messages Between Stores	24%
Sales Capture on Cassettes	24%
Promotions on Sales Slips	14%
Sales Person Scheduling on POS Terminal	14%
Bank Credit Card Authorization	10%
Transfers	5%
Big Ticket Processing	5%
Capture of Salesperson Payroll Data	5%
Other	29%

The variety of uses for which electronic POS terminal systems are programmed is shown in this chart of current usage.
(Touche Ross/DSN research)

Familiar bonded systems and faster-turning, higher-margin disposable razors dominate wet-shave displays like this one at Richway, Decatur, Ga. (DSN photo)

Disposable Razors Sharp

Special DSN H&BA Report

Disposable razors could dominate the wet-shaver market in the near future—that from manufacturers and chains alike.

While double-edge and injector systems experience share-of-market losses, and bonded systems hold their own for discounters, disposables have the unit sales lead and run a strong third in dollar volume.

Generally higher margins, faster turns, inventory convenience and consumer demand for the lightweight plastic handles with bonded-in blades add up to the hottest wet-shave item for discounters in 1980, and most buyers see the trend to disposables continuing. Backing them are manufacturers' promotions for new models and improved packaging.

"We're really getting behind disposables because of the dollar factor," said a Wal-Mart spokesman. "I thought they would be a here-today-gone-tomorrow item at first."

A Jamesway buyer declared: "Nothing else in the category is growing like that. I'm getting some growth in the Atra blades, but disposables are a whole new market, with all the recent introductions."

Those include multiunit packaging, pivoting head, ladies' and twin-track models.

"The whole category is going bananas," said a buyer from S. E. Nichols, where sales of bonded systems have dropped considerably.

(Continued on page 24)

Four Discounters Freeze Prices On Some Food and Drug Items

NEW YORK—Four major discount chains with more than 250 stores nationwide have imposed price freezes on some food and drug items as part of a voluntary Federal program to shield the consumer against skyrocketing inflation.

The chains—FedMart, Rink's, Venture and Target—imposed the price freezes last month in response to a request from the White House. They will remain in effect 60 to 90 days.

The products and prices frozen vary from chain to chain, and include basic items such as spaghetti, tomato sauce and shampoo at FedMart, and generic prescription drugs and other items at all four chains.

"We're not sure if we can keep it up after 90 days," explained William E. Sliney, FedMart executive vice president, "but taking this stand is something we felt we had to do to carry on the fight against inflation."

Officials of the chains said some of their prices had already been frozen by suppliers complying with the White House request.

However, they said they are absorbing the increases passed along by other manufacturers, and writing letters to them urging that they also participate in the voluntary price-freeze program.

"We had some increases that were scheduled to take effect April 1," said Stan Heller, Venture's director of pharmacy, "but we decided that we were going to take a stand and absorb these increases."

Midge Shubow, a spokesman for the White House's consumer affairs office, said the four firms were believed to be the only discount chains among the approximately 164 food and drug manufacturers and retailers that were asked to participate in the program in March.

Food retailers were the first group asked to participate. But, she said, drug retailers in the Washington, D.C., area quickly followed suit, and on March 19 a second letter was mailed asking 24 pharmaceutical manufacturers and 90 gro-

(Continued on page 158)

1st '80 Qtr. Lags

Catalogers' '79: Biz Up, Net Down

Nationwide DSN Report

The year 1979 was a mixed one for catalog showrooms, with sales generally up—substantially so for a number of chains—but income down for most companies.

While none of the top publicly held catalogers reported a loss, only two, Best and H. J. Wilson, recorded higher earnings. The former was up 11.3% and the latter 12.9%.

Sales increases ranged from 12.5% for Jewelcor to 38.2% for Service Merchandise, and hit 62.7% for the United States division of Consumers Distributing. Earnings declines ranged from 12.4% for Service Merchandise to 92.5% for Sam Solomon.

The mixed results, together with continued weaker performances in the first quarter of 1980 and the industry's greater share of the general merchandise retail market, mean that the 1980 recession will impact catalog showrooms more than the one in 1974.

Catalog executives explained that the industry was so small six years ago that the recession passed by the showrooms. But,

(Continued on page 158)

Peterson's Price Plea Probably Will Include Discount Chains

WASHINGTON—White House Consumer Advisor Esther Peterson was planning at presstime to fire off price-freeze request letters to the nation's top department stores, general merchandise chains and "probably" discounters.

The Administration's call for a price moratorium on selected product lines comes on the heels of similar White House requests involving supermarkets and drug chains earlier this year.

In her letter—which will be sent only to the 50-100 largest "department store-type" chains—Peterson is not likely to set any ground rules for voluntary compliance by the chains, but will urge the broadest price freeze possible to help consumers cope with inflation.

Large department store and general merchandise chains will "definitely" be the targets of Peterson's program, but it's still not "100% sure whether we will include discount store chains as well," a White House official told *Discount Store News*.

"We're a little reluctant to ask the discount industry to participate in this program, because its prices are already so low," a Peterson aide said. "But, at this point we're leaning toward including discounters anyway."

Peterson met privately last month with representatives of a number of industry groups (American Retail Federation, Association of General Merchandise Chains, National Retail Merchants Association, etc.) to map out strategy for the latest price-freeze campaign.

"It was a very positive meeting and I think we'll get a great deal of cooperation from this industry," a spokesman for the veteran Presidential consumer advisor told DSN.

Originally Peterson had planned to send letters to the top chains late last month, but an illness disrupted that timetable.

Catalogers in 1979: Volume Rises, Profits Drop

(Continued from page 23)
the industry has grown, they added, so any general downturn in retail sales will also be felt by the showrooms.

The industry's current size can be gauged by the sales and earnings for 1979 reported by the top chains.

Best generated $794,948,000 in sales for the 53 weeks ended Jan. 5, up 25.8% from the $631,817,000 produced in the 52 weeks ended Dec. 30, 1978. Income went to $28,778,000, up 11.3% from $25,849,000.

Best's results were for a running 12-month period, rather than for a fiscal year, as the cataloger's fiscal year ends in June.

Service Merchandise in the fiscal year ended Dec. 31, 1979 hit $729,759,000 in volume, up 38.2% from $528,014,000. Net earnings dropped 12.4% to $19,463,000 from $22,228,000.

At H. J. Wilson, sales in the fiscal year ended Feb. 2 were up 20.6% to $256,394,000 from $212,614,000, while net income of $11,045,000 was 12.9% higher than the previous $9,783,000.

Sam Solomon's sales rose 26.7% to $88,034,300 from $69,461,400 in the fiscal year ended Jan. 26. But earnings plunged 92.5% to $124,600 from $1,665,600. A key factor in the income drop was a change in the method of accounting for store-opening expenses. The cataloger wrote off such costs as they occurred in 1979, as opposed to charging them over a two-year period in previous fiscal years.

Two companies have so far reported only total corporate revenues covering both the showroom division and the catalog publishing arm.

Modern Merchandising in the fiscal year ended Feb. 2 had sales of $678,820,000, up 29.9% from $522,518,000. Net income dropped 25.6% to $12,740,000 from $17,121,000.

At Jewelcor, total sales for the fiscal year ended Jan. 31, grew 12.5% to $168,496,000 from $149,712,000, while net income dropped 39.7% to $1,160,000 from $1,923,000.

Sales Up

Consumers Distributing, which is a Canadian company, reported that sales in the fiscal year ended Feb. 2, for its United States division (in U.S. dollars) were $189,000,000, up 62.7% from $110,000,000. Total corporate volume (in Canadian dollars) was $553,800,000, a 60.9% jump from $344,200,000. But income declined 21.5% to $9,500,000 from $12,100,000.

The major catalogers maintained their strong sales growth because of new stores and higher volume from older, maturing units. Service Merchandise, for example, added 17 showrooms to hit 101; same-store sales, at the same time, increased 11.1%.

The pressure on operations that resulted in most of the companies reporting earnings declines was traceable to a number of factors.

Harold Roitenberg, chairman of Modern Merchandising, cited higher interest expenses which increased 56.2% to $14,993,000, and lower gross margins.

Promotions Upped

The latter reflected more aggressive price promotions to maintain sales; lower jewelry volume as a percentage of total sales due to higher gold prices, and a shift to lower-priced goods in general. The company's gross profit went down to 23.9% from 25.9%.

Raymond Zimmerman, president of Service Merchandise, said that "any attempt in the pricing area to respond fully to these [merchandising and operational] pressures was of necessity limited by the very nature of the catalog showroom industry and its basic economics. Some response, of course, was possible. However, the unlimited ability to recoup inflationary pressures through increased pricing wasn't a viable alternative."

He noted that the company chose to honor the commitments reflected in promotional prices in flyers for a number of jewelry items. The firm's ad-priced "tru special" items in general "sold in larger proportion" than projected.

The cataloger's gross margin dropped to 23.1% from 24.7%.

Best, in its running 12-month period, was able to maintain tight control of its operation. Gross margin showed only a miniscule drop to 21.3% from 21.8%. The end result was higher net earnings.

But Best's results for the quarter ended March 31 also presage the difficulties that face catalogers. Its sales of $132,400,000 were up 39.4% from $95,000,000, but its net loss exploded to $4,236,000 from $93,000.

A Best executive said that the "surprising" loss reflects the impact that inflation has had on the cataloger.

He noted that Best had switched to LIFO and this accounting change magnified the loss. The LIFO provision for the quarter was $7,725,000 compared with $759,000 in the period last year.

The only positive result of the LIFO accounting, he added, is that Best will have to pay about $9 million less in taxes

Inflation also adversely affected Service Merchandise's income but the cataloger's use of FIFO lessened the impact.

Service Merchandise's sales for the quarter ended March 31 of $130,734,000 were up 39.1% from $93,999,000, but the net loss rose to $974,000 from $589,000.

Editorial: Time For Action

(Continued from page 1)
must become more productive. Shrink control and warehouse operations need close scrutiny.

And, a Government which seems not to understand business at best—and which appears openly hostile at worst—will have to be contended with on a daily basis. These regulations, proposals and confrontations will require capital, just as nonproductivity wastes it.

Not surprisingly, these topics are on the convention agenda. Like we said, we've got some of the best minds this week. Together, we can develop meaningful solutions to many of these problems.

This is an introspective time for the entire nation. The failure in Iran, a crumbling foreign policy, the erosion of support among our "allies" in Europe and the frustrating inability of our Federal Government to turn our economy around all are weighing heavily on the minds of many of us.

That's why it is particularly refreshing to be in a position to take positive action. We can this week. Let's put our heads together, pick each others brains and exchange ideas.

Discounting is an industry of achievers. Those achievers are in New Orleans this week. Together, you achievers can begin your walk through the 80's in a positive manner that leaves no room for panic—or failure.

It's a "Time of Change," indeed. Let's look at the 80's as a time of opportunity. Discounting's message is right. It's a matter of coolly developing the controls.

Good luck.

—Stuart J. Horton

EDP to Play an Ever-Bigger Role

(Continued from page 23)
balance of the respondents were already using OCR-A.)

The most common application of the machine-readable tickets was manual, keying the information into a POS terminal system, reported by 33% of the respondents. The next most frequent application was the use of a batch reader (22% of the firms reporting), followed by machine reading (wand, scanner or other reader) at the POS terminal, at 15% of the reporting firms.

Other applications of the machine readable tickets included manual processing for batch system entry (11%), and manual keying at optical font or punched tape registers (7% in each instance).

Installation of additional POS terminal systems is planned at the rate of more than 10 stores a year by a majority—54%—of the respondents. Six to 10 stores a year will be equipped by 20% of the respondents, and the balance report plans to install the POS terminal systems in four or five stores a year. Most (almost two-thirds) install on a store-by-store basis, while the rest do several stores concurrently.

The decision to make the POS terminal system installation is based almost as much on opportunity (a new-store opening was listed by 55% of the respondents) as on anticipated dollar savings, which was cited by 73% of the respondents. Replacement of mechanical cash registers is another opportunistic decision point for 45% of the respondents, and competitive pressure was cited by only 18% as a factor in the decision.

The average cost of installing POS terminal systems in a typical unit of the responding firms (to the point of being able to receive sales transactions at a central computer facility) is $107,000 for those firms that are fully POS-installed, $91,000 for those only partially equipped. The range reported was $38,000 to $286,000 for fully equipped chains, $18,000 to $168,000 per store for partially equipped chains.

The average per-store cost of $107,000 for fully POS-installed chains is for an average of 17 POS terminal systems per store (range, 5-50 POS terminals) in an average 54,000 sq. ft. of selling space (range 35,000-140,000), or 3,176 sq. ft. of selling space per POS terminal system.

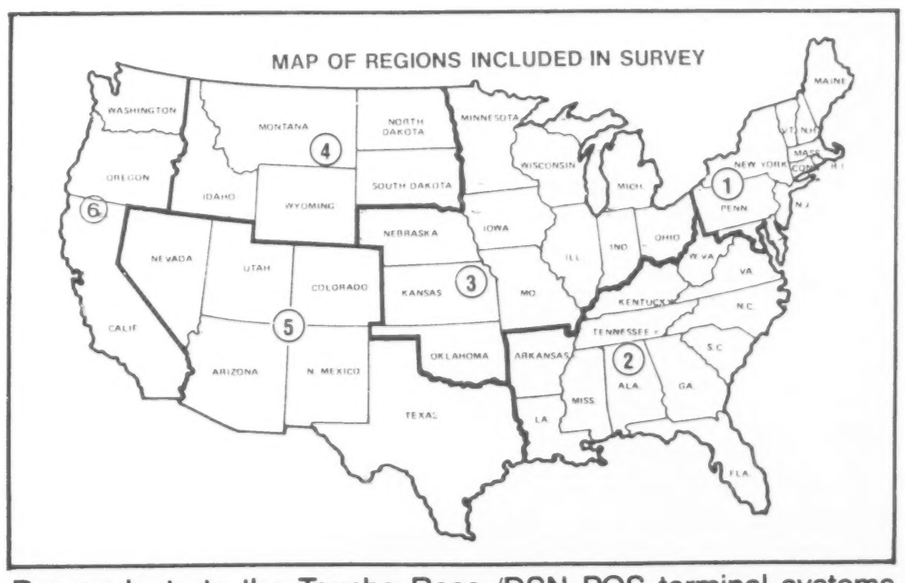
In those chains that are partially POS-installed, the average number of terminals dropped to 15 (range 7-30) in an average 56,000 sq. ft. of selling space (range 20,000-130,000). The average selling space per POS terminal system in these chains (partially POS-installed) rose to 3,733 sq. ft.

Executives tapped to head up POS installations include electronic data processing or management information systems specialists in 39% of the reporting firms, store operations executives in 30% of the chains, special projects executives in 9% of the reporting chains and "other," unspecified executives in 22% of the chains.

Net Annual Sales Volume Range of Survey Respondents in Millions

$1-$50	$51-$150	$151-$250	$251-$350	Over $350
27%	23%	13%	17%	20%

Responses to the Touche Ross, DSN survey came in almost equal numbers from chains in every volume range, and from every part of the country. (Touche Ross/DSN research)



Respondents to the Touche Ross /DSN POS terminal systems survey operate 30 discount department store chains, more than 3,000 stores, in six regions of the country.

Gals Polled

(Continued from page 2)
price-stickered cartons instead of from individually tagged goods stacked singly on shelves.

Also significantly, 86% of the shoppers polled anticipated that credit cards would soon become an accepted practice in consumers' food buying. As a sidelight, 40% of the respondents indicated that they expected to buy a microwave oven by 1985.

Interestingly, 87% of the women polled expected gasoline prices to skyrocket to $2.50 a gallon by 1985, but only 20% said this would cause them to change stores.

The food chain executives who also participated in the study, however, observed that the steadily rising cost of gasoline had already limited the distances customers were willing to travel, and the executives anticipated a greater consumer effort to make shopping a one-stop task in the 80's.

4 Discounters Ice Some Food and Drug Prices

(Continued from page 23)
cery manufacturers to freeze their prices.

About half of those who were sent letters agreed to freeze temporarily at least some of their prices, she said.

Venture's price freeze took effect April 1 and included all prescriptions, including both generic and nongeneric drugs. It will remain in effect until June 30.

The FedMart freeze, initially to have covered 80 of the chain's "bright yellow wrap" generic food items, began in early April and will last for 90 days.

Sliney said executives of the San Diego-based chain decided on April 23, however, to also freeze all generic drugs until July 21.

Major brands and other FedMart PL goods will not be frozen, he said.

Target, which has 86 discount stores in 11 states, announced a freeze on generic and other drugs that will remain in effect until June 30. The freeze was imposed in response to the Federal request, chain officials said.

Rink's, the Ohio-based chain operated by Gray Drug, announced a 60-day freeze on some private label items and on some generic prescription drugs. (Other story, p. 120.)

Gray's "Own Brand" items such as diapers, shampoo, creme rinse and other products sold at Rink's and Gray's stores came under the freeze. But an official of the chain said that the Rink's store brand did not.

A spokesman for the firm said letters were sent to vendors encouraging them to also freeze their prices.

She said that although its program of encouragement for vendors to freeze prices was going "fairly well" and had "lots of support," an exact tally of how many had decided to participate would not be available until sometime this month.

Officials of the chains said they were uncertain whether the freezes would be continued past their expiration dates.

It all depends, the officials said, on how successful they are in curbing any price increases.

Shubow said it was unlikely any additional discount chains were sent the letter.

She said, however, that it is possible Esther Peterson, special assistant to the president for consumer affairs, may send the letter to other segments of industry—including discount stores—at some future date.

One company headquartered in Boston said it doesn't intend to freeze prices in its supermarkets.

Spokeswoman Deborah Ianotti said the Stop & Shop Companies feels participation would create an oversimplified public impression that retail stores have great control over the prices they charge. Such an impression could pave the way for mandatory controls at a later date, she said.

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Housewares Outlook: Pp. 6-7

Discount Store News®

THE NEWSPAPER OF THE DISCOUNT DEPARTMENT STORE INDUSTRY

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Prexies Predict 80's Will Produce Pluses Besides Perils

NEW ORLEANS—The emphasis was on silver linings at the NMRI convention's President's Roundtable, as all participants acknowledged the perils of the next 10 years but pointed out that each challenge is also an opportunity.

In a departure from previous Presidents' Roundtable formats, discounters Jack Shewmaker, Wal-Mart, and Marshall Hess, Fisher's Big Wheel, were joined by associate members David M. Tracy, Fieldcrest division, Fieldcrest Mills, and Paul W. Van Orden, consumer products division, General Electric. David Banker, Lechmere, moderated.

In five-minute opening addresses, the participants outlined their appraisals of the business climate in the next 10 years, each of them stressing the opportunities that rapid change will offer retailers and vendors alike.

"We are on the verge of some of the greatest developments in communications and electronics we have ever experienced," said Shewmaker. "Microprocessor chips, fiber optics, lasers, satellites and home computers will change the means of communicating and operating our stores and homes to such a degree that current cash registers, communication systems and customer services will be completely outdated within the decade.

More NMRI Convention Coverage: See Pp. 2, 11

"I believe that great strides can be made in productivity by retailers and vendors working closely to improve planning, scheduling and operating efficiencies."

Shewmaker went on to cite, as an example of an opportunity created by some of the changes he sees coming, the adoption of

(Continued on page 4)

Jack Shewmaker, president of Wal-Mart, speaks his piece at the Presidents' Roundtable while Dave Banker (Lechmere president), David Tracy (Fieldcrest), Marshall Hess (Fisher's Big Wheel president) and Paul Van Orden (GE) wait their turn. (DSN photo)

Winter Outdoor Sporting Goods Wrapup

Ice Skates Score But Nice Weather Hurts

Nationwide DSN Report

Sales of ice skates—spurred by publicity over the United States' multiple-gold-medal Olympic speed skater and champion hockey team—provided one of the few bright spots in a winter that was generally slow for outdoor sporting goods sales.

But, buyers in discount stores are predicting a quick recovery.

Explained a buyer for Woolco: "I expect a normal winter. We just couldn't have two in a row like that."

Highlighting the projected improved sales, according to a sampling of buyers, will be high-velocity movement of cross-country ski equipment, ice skates and outerwear.

It may also be a good year for hockey equipment. At least one major chain, Woolco, said it experienced a surge in sales of hockey equipment after the Olympics.

Buyer Donald MacMillan said the items that were generating the greatest interest were skates, sticks selling for $7, a plastic face protector for $5 and goal sets that sold for $20 to $30.

"What hurt sporting goods sections the most last winter wasn't so much the warmer temperatures," explained Prange-Way buyer Terry Kilgore, "as the lack of snow."

Kilgore said his chain was particularly affected by the weather. Last winter was the warmest one for Wisconsin in 20 years and the driest in about 40, he said.

With "zero snow," Kilgore said, even cross-country skiing—undergoing a nationwide surge in popularity—failed to go as well as expected.

Kilgore and buyers for other chains said there are many reasons why the sales of cross-country equipment should improve this year—if snow falls.

High gas prices will keep people close to home, while the increased concern for health and exercise will get them out

(Continued on page 4)

Discounting Week

NEW KORVETTES HEAD. Agache-Willot's Joseph Ris was due at presstime to be named chairman of Korvettes, succeeding Alain Mathieu. He had been an exec in the Paris office of Chrysler before joining Agache-Willot, Korvettes' parent.

FURR-MED UP. K mart has completed its acquisition of Furr's Cafeterias through a merger with a wholly owned subsidiary.

ON THE AIR. Jamesway's legal troubles were aired on local TV here last month when the staff of ABC's "Good Morning New York" invited *Trenton Times* reporter Gail Scott to discuss her investigative writing on the New Jersey-based chain's store security procedures. Scott charged that the chain's restitution practices in shoplifting cases border on extortion. Jamesway officials declined to appear on the show.

Will Two Guys, Under Roth, Take Retailing or Real Estate Route?

By Arthur Markowitz

GARFIELD, N.J.—Where is Two Guys going?

Will the financially troubled chain, which just opened its first new store in three years, remain committed to retailing or eventually go the potentially more profitable real estate route?

DSN Analysis

The answer could come at the annual meeting, due to be held at presstime, at which executives of Interstate Properties, a real estate company headed by Steven Roth, were scheduled to take control of the board of directors of Vornado, Two Guys' parent.

Interstate's move to increase its representation from three to five of the board's nine seats—agreed to by the previous management group in April—would end Frederick Zissu's long domination of the company, although he is expected to continue as board chairman and chief executive officer.

Vornado executives asserted that despite the changing of the guard, the company is "committed to the development of its retail business in its core areas of metropolitan New Jersey and New York" and cite the new Freeport, N.Y., store as the prototype Two Guys of the future.

But, trade observers counter that the company, having suffered more than $40 million in operating losses during the past four years, would be better off as a real estate firm, with its sites and stores developed as shopping centers and leased out to other retailers, with Vornado possibly retaining any ongoing Two Guys stores.

This type of development is planned for the dozen Greater Philadelphia area stores leased to Montgomery Ward for conversion to Jefferson stores. Zissu, in the annual report, stated that "the company owns additional space and land

(Continued on page 22)

First New Two Guys in 3 Years Gives Apparel Bigger Role

FREEPORT, N.Y.—Two Guys has shifted its traditional emphasis on hard lines to one more heavily weighted in favor of apparel in a new 110,000-sq.-ft. store that opened here last month. It is expected to be a prototype for future units.

The new store, the first to be opened by the financially beleagured chain in more than three years, features a 16-ft.-wide racetrack and a floor plan that puts apparel and jewelry in a central core area opposite the front door.

Extensive use is also made of elaborate clothing displays that include 20-ft.-high "tower units" and waterfalls.

Store officials said the changes are intended to cause a "significant" increase in the movement of apparel while not diminishing hard line sales.

The change in emphasis came as officials of the discount chain fought to erase a 1979 operating deficit of $750,000, and as its board of directors considers closing stores outside the New York-New Jersey metropolitan market.

Executives at the chain's headquarters in Garfield, N.J., said while it is still too early to tell the effects of the new market strategy, they are confident of it, and have already begun to

(Continued on page 26)

Woman flips through racks of jewelry in the new central core area of the recently opened Two Guys, Freeport, N.Y. Apparel is to left and right. (DSN photo)

NMRI CONVENTION COVERAGE

Davidowitz: Make Computers 'Work'; Build Liquidity

NEW ORLEANS—"The 80's are the age of execution," Howard Davidowitz, director of national retail consulting services, Ernst & Whinney, told the NMRI convention.

Urging discounters to recognize that the 80's are going to be a time of marked change, Davidowitz said: "The winners will be the winners because of the decisions they make."

Foremost among the decisions Davidowitz envisions are moves to make the sophisticated computer hardware bought in the 70's "really work."

"The only reason to install a computer is to change someone's behavior," the industry consultant told the crowd, "yet few of you have done that. Rather, it seems as if you take the computer printouts and recopy the data into your old books."

Innovative Technique

In the 80's, Davidowitz predicts discounters will finally learn how to lasso computer technology so that by 1983-84 retailers will be actively and accurately using their electronic hardware to stay in stock.

Liquidity will also be of vital concern to discounters in the coming decade, according to Davidowitz.

"Retail success in the coming years will be based on management's ability to figure out how to build a liquid business," he said. "Companies will no longer be able to grow on debt that can't be paid back swiftly."

Borrowing will be particularly limited, he added, as retailers find they are competing for more limited (loan) funds with financially troubled manufacturers and deteriorating American cities.

Davidowitz also predicted that new key positions would be created in discounting's executive suites in the 80's. Most notable, he said, would be the emergence of a director of marketing whose job will be to create more distinct (visual) identities in the marketplace for their chains.

"With competition heating up, with the higher cost of energy, and with consumers starting to limit the number of shopping trips they make each week, your store's visual presentation is going to be more important than ever before," he said. However, this does not necessarily mean that every chain must upscale its merchandise presentation. Rather, it means recognizing your identity in the marketplace, accentuating it and capitalizing on it.

Another job function Davidowitz suspects will become more crucial in the coming years is the role of the personnel manager.

Chains will have to hire the right people for the right job in the 80's, he said. The days of saying that anyone can be a hardware buyer are over.

"Productivity is going to rely directly on a chain's ability to

(Continued on page 21)

"Retail success in the coming years will be based on management's ability to figure out how to build a liquid business."—Howard Davidowitz, Ernst & Whinney.

Buyers Are Urged to Be Creative Artists To Meet Competition of Specialty Chains

NEW ORLEANS—The buyer of the 80's will have to be more than a buyer; he will have to be an artist if discounters are to meet the competition of specialty operations.

That was the theme followed by George Jeffers, Cook United president; Richard Schott, president of Merchants Buying Syndicate; Arlie Lazarus, Jamesway president, and Stephen Goldberger, Hills vice president-merchandising and sales promotion, at the NMRI convention's third session, "Optimizing Buyers' Time."

The panelists (and those in attendance, judging from comments among the SRO crowd) agreed buyers would have to treat each department like a specialty store to capture more discretionary customer dollars.

Moderator Jeffers and panelist Schott told the audience that buyers must adapt. Panelists Goldberger and Lazarus explained how to do it.

Schott said that perfecting the art meant cutting down paperwork, streamlining duties, making more visits to manufacturers and gaining better product knowledge.

"The buyer for the 80's will be a creative buyer, an artist—and unfortunately this will cost more," Schott said.

Jamesway introduced a merchandising division to train clericals to assist buyers in 1975, and today the chain's buying organization includes 21 buyers among 83 personnel.

Since the merchandising control division was created, other buyer-relief measures have been implemented. For example, EDP reports are sent to merchandise managers, traveling specialists have been enlisted, and assistant buyers trained.

By eliminating tear-off sheets and running more preprints, Jamesway tries to free buyers' time. Chain studies have shown hard and soft line

(Continued on page 6)

Security Survey to Be Repeated, Refined in '80

NEW ORLEANS—The 1979 survey of security practices in mass retailing conducted by Arthur Young & Co. for the NMRI will be repeated in 1980.

The announcement was made at the convention's session 5: "Shrinkage Control and Security in the Mass Merchandising Industry," moderated by Eric Zorn, vice president and director of security at Jamesway. Errol Cook, a partner in Arthur Young & Co., and Christopher Conroy, an audit principal of the same firm, made the presentation.

After Conroy's short synopsis of the 1979 survey findings, which were first released in January at the NMRI top management conference and which have been printed in *Discount Store News* and other trade publications since, Cook outlined some changes planned in the 1980 survey document, tentatively set for October distribution.

More detailed information will be developed in the 1980 survey, including department-by-department data and more emphasis on developing cost-benefit relationships.

The refinement of the survey questionnaire will include comparisons with the data developed from the 1979 survey, and an expanded data base. Specific questions will be asked on the role of internal auditors, the types and numbers of different kinds of store security personnel, and the percentage of shrink that may result from paperwork deficiencies rather than from theft.

Also to be included in the 1980 questionnaire are employee screening procedures, for both security and non-security newly hired personnel.

The intent of the refinements is to produce data that can assist in determining the most cost-beneficial reallocation of control measures.

Vendor-retailer relationships relative to concealed shortages was the topic of questions from the floor. The suggestion was made that some effort be made in the survey document to establish a possible correlation

(Continued on page 26)

In This Issue...

SPEAKING OF THE ECONOMY. There is good news in DSN's housewares outlook and not-so-good news in the hardware PMA. March '80 vs. March '79 readings show hardware sales lagging. Meanwhile, housewares has proven an almost recession-proof category in the last 10 years.

In housewares, a review of manufacturers' sales to retailers over the past decade shows strong results by discounters, even during recession periods.

One explanation: More consumers shop at discount stores during a recession.

This trend should continue, and balance the effect of inflationary wholesale prices. (p. 6)

LOOKING AHEAD. One way to cope with tight money across the board is with planograms. This issue's Touche Ross series installment explains the benefits and strategies. (p. 12)

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Willie Mays, NMRI Athletes Have a Ball

NEW ORLEANS—Willie Mays and discount industry sports enthusiasts shared the spotlight at the NMRI's sports luncheon here

It honored those NMRI members who turned out for the tennis and golf tournaments, the 10-kilometer marathon and the 2-mile fun-run.

Baseball Hall of Famer Mays, the luncheon's keynote speaker, amused the crowd with the humorous references to his transition from baseball star to businessman.

Following are the sports event winners:

In men's tennis, Thomas Groenings, W. F. Hall Printing Co., and John Horn, Boye Needle Co. (a division of the Newell Cos.), shared top honors in the A division doubles tournament. George Rockwell, Remington Arms, and Arthur Maier, K & M Jewelry, were the runners-up.

Among the B division players, Peter Grundell, Schreiber Co., and Leopoldo Mares, Futurama, were first- and second-place winners, respectively. Herb Leibowitz, Willow Hosiery Co., and Peter McIlroy, Management Horizons, were runners-up.

Harry Kunkel, No Nonsense Fashions, and Mark Danner, Danners, took first place in the C division, while Jerry Rosenberg of R. N. Koch, and Lee Brewer, Polaroid, were runners-up.

In women's doubles, the team of Ernee Mayer and Kathy Rafferty won first place among A-ranked players. Pat Shaw and Susan Robard were runners-up.

Fred Barney, Gray Drug president, lines up a shot at the ninth hole during NMRI's golf tourney. Waiting to play: Pete Sikkel, Dupont (l.), and Irwin Lakin, Spencer Shoes. (DSN photo)

Arlene Gugick and Dolores Marten took first place in the B division doubles, followed by runners-up R. Kutzman and Karen Nadler.

Helen Walton and Sandy Musgrave took first place in the C division, while Audrey Cooper and Anita Ross were runners-up.

More than 40 conventioneers turned out for the nine-hole golf tournament.

Sam Papps, Gillette, and Herb Gilman, president of Ames, were first- and second-place low net winners respectively, while Hal Pettitt, T.G. & Y., Hank Rapsis, Coca-Cola, and Bill Gross, Greater Buffalo Press, were the top three low gross winners.

Bill Gross and Marty Nadler of R. N. Koch, also picked up trophies in the driving contest.

The New Orleans Track Club, Barkers, Pepsi Cola and *Discount Store News* cosponsored the 10-kilometer (6.2-mile) marathon and the 2-mile fun-run through the streets of New Orleans. Twelve hundred conventioneers and other run-

(Continued on page 8)

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Do Much Better Than Sears, Penney, Ward

Discounters' First-Quarter Biz Steady But Softening Creeps Into April

Nationwide DSN Report

Discount store sales held steady in the first quarter, but the weakening economy and an early Easter resulted in a softening pattern developing in April. Some chains reported a drop in volume for that month against a strong April 1979.

Discounters overall did much better than the Big Three—Sears, Penney and Ward—each of which had a sales decline in April. Only Penney reported a slight (0.6%) increase for the quarter.

The big gains reported by such discounters as Wal-Mart, up 32%; Jamesway and T.G. & Y., each with a 23% increase, and Caldor and K mart, with 14% hikes, reflect new-store openings by these chains, inflation and small same-store increases.

The small same-store gains for the quarter and the mixed April results are seen as signs that ripples from the economic downturn are starting to reach some discounters.

Wal-Mart performed the best among discounters by recording 32% increases for the quarter and April, with the month's sales at $119,000,000.

The top discounter, K mart, had a 14% jump for the quarter and an 11.8% gain for April when volume hit $1,042,474,000.

The mixed results were evident at Jamesway which had a 23% boost for the quarter, but a 5% same-store gain. Volume, for the four weeks ended May 3, of $78,450,000 was up 12%.

Among the discounters that had quarterly gains, but declines in April, were Zayre, Venture and Murphy.

In Zayre's case, the 6.8% quarterly boost was offset by a 5.9% decline to $100,941,000 for the four weeks ended May 3.

A 5.2% quarterly gain for Venture culminated in a 2.8% sales decline for the four weeks ended May 3, to $38,200,000.

Murphy's small 1.4% quarterly gain ended in a 1.9% drop in April as sales declined to $57,000,000 (but from fewer stores in this case).

The Big Three results for the quarter had Sears down 0.2%, Ward off 2.6% and Penney up 0.6%. All three had declines in April: Sears 4.3%, Penney 5% and Ward 5.4%.

Chain	1980 (Qtr.) ended	First-quarter sales 1980	1979	$ gain	% gain	Same-store % sales gain
K mart*	4/30	$2,982,978,000	$2,616,647,000	$366,331,000	14	6
T.G. & Y.	4/26	337,937,903	274,684,912	63,252,991	23	14.04
Zayre* (a)	4/26	330,716,000	309,657,000	21,069,000	6.8	6.8
Wal-Mart	4/31	314,000,000	238,000,000	76,000,000	32	12
Murphy's Mart*	5/1	168,345,000	165,942,000	2,403,000	1.4	—
Two Guys (b)	4/26	119,560,000	113,155,000	6,405,000	5.7	5.3
King's	5/3	118,940,838	106,590,271	12,350,567	11.6	—
Caldor	4/26	116,881,000	101,852,000	15,029,000	14.8	—
Venture	5/3	113,500,000	107,900,000	7,600,000	5.2	3.8
Heck's*	3/31	87,006,800	73,782,500	13,224,300	18	—
Jamesway (a)	5/3	55,286,000	44,586,000	10,700,000	24	5
Twin Fair*	4/1	47,042,000	44,011,000	3,031,000	6.9	—
Gee Bee*	5/3	35,150,673	32,113,067	3,037,606	9.5	flat
ALCO*	4/27	34,200,000	33,500,000	700,000	2	(2)

**Total corporate sales. ( ) Loss.*
(a) Excluding leased department sales.
(b) Corporate sales, excluding leased department sales and volume from 12 stores sold to Montgomery Ward.

Fourteen discounters did $4,861,541,000 in the first quarter and averaged a 12.4% gain as industry volume held steady despite the weakening economy.

Some Mfrs. (More Expected) Ice Prices

WASHINGTON—A number of leading discount chain suppliers have voluntarily frozen prices on their major product lines, and others are expected to follow suit soon, White House officials told *Discount Store News*.

The actions, taken in response to Presidential Consumer Advisor Esther Peterson's call for price restraint by selected industries, involve a diverse array of product categories ranging from children's apparel to back-to-school stationery.

The manufacturer price freezes are "particularly significant because we haven't even formally contacted this [general merchandise] segment yet to ask for their cooperation," an aide to Peterson said.

Earlier this year the White House consumer affairs chief asked for and received price restraint pledges from dozens of top supermarket and drug chains as well as their major suppliers.

Peterson decided to extend similar price freeze "invitations" to more than 50 top general merchandise department store and discount chains, but those letters had not yet been sent at presstime.

Good Possibility

"The fact that general merchandise suppliers are beginning to implement these price change moratoriums even before we get our program off the ground is an indication that we're going to get a lot of cooperation from this industry," a White House aide maintained.

As of last month, at least four firms had announced temporary price freezes:

- American Greetings—a six-month lid on greeting card price increases to retailers;
- Berol USA—a 150-day freeze on pens, pencils, markers and

(Continued on page 4)

Rink's, Gray Copy Vendors' Freeze

CLEVELAND—Rink's and its parent Gray Drug have frozen shelf prices on merchandise from 33 suppliers who have frozen prices.

The price freeze on these vendors' goods is in addition to Gray's freeze on its private label items and generic prescription drugs, already in effect.

The 33 suppliers include:

A. H. Robins, Bonne Bell, Bristol Labs, Burroughs-Wellcome, Chesebrough-Pond, Combe, Coty, Del Labs, DeVilbiss Health Care, Evenflo, Helene Curtis Industries, ICI Americas, Jung Products, Leeming/Pacquin, McNeil Labs, Merrell-National Labs, Miles Consumer Products, Nestle-LeMur, Norcliff Thayer, Ortho Pharmaceuticals, Parke-Davis, Penwalt, Sandoz Pharmaceuticals, Shulton, SmithKline & French Labs, Syntex Labs, J. B. Williams, Mentholatum, Wella, Union Carbide, Vick's Toiletry Products, William H. Rorer, and Youngs Drug Products.

New Jefferson Trims Hard Lines To Fit Format in 60,000 Sq. Ft.

By Iris Rosenberg

HALLANDALE, Fla.—Tight, innovative merchandising has helped Jefferson wedge its basic 100,000-sq.-ft. format into a 60,000-sq.-ft. store here.

The unit, which opened last month, is one of 11 J. M. Fields stores the Miami-based chain picked up last summer (for $1.4 million) when the bankrupt discounter auctioned off its holdings.

"This isn't a prototype store," said Joel Peney, senior vice president, sales promotion. "We just did what we had to do to get all of our classifications into the store."

What they did, according to Peney, was to tip the store's merchandise mix in favor of soft goods, scaling back on the size and sku count of the lawn & garden, toy, sporting goods, furniture, hardware and housewares departments. To further support the new 60-40 ratio (55 hard lines/45 soft in other stores) the chain added higher gondolas (in the cut-back hard lines departments), careful planogramming and a new look in store design.

"This is the first time we got away from straight aisles," Peney said of this more complex racetrack presentation which allows side aisles to cross over and converge in some places.

The racetrack takes a conventional course along three sides of the store. On the fourth side, however, where the store opens directly into the Diplomat Mall, the racetrack breaks up into a small network of cross-over aisles. They bisect the carpeted men's, women's and children's apparel departments.

"The successful layout of the store depended on department accessibility and product exposure," Peney added.

Accentuating the new look are several new merchandising techniques, some of which are being tested for possible use throughout the chain. Others, are new elements that are also being added to existing units, according to Peney.

The new gourmet cookware department, The Creative Kitchen, is here. At approximately 800 sq. ft., it may be disproportionately large for this store but it is the same full-scale department that will eventually be added to all other stores, Peney said.

(Continued on page 26)

Several new display ideas are being tested in the domestics department of Jefferson, Hallandale, Fla., among them end-cap vignettes for bedspreads and drapes. (DSN photo)

Walton Ads, Pamphlets Urge Attack on Energy Problems

BENTONVILLE, Ark.—If Sam Walton, chairman of Wal-Mart has his way, thousands of Wal-Mart customers will join him in a grass-roots letter-writing campaign urging President Carter to refocus the nation's energy resources management.

Walton inserted a signed, full-page advertisement in 15 newspapers throughout his trading area, warning in bold headlines: "If you and I don't solve the energy crisis, OPEC will solve it for us."

The advertisement was followed by a four-page pamphlet that was inserted in customers' bags at checkouts in many of the Wal-Mart stores, containing the same warning and adding a list of Senators, Representatives and Congressional committee members to be contacted.

In both the ad and the stuffer, Walton warns that the nation is "in serious trouble" and suggests that all-out use of our vast coal reserves should get priority attention in the formulation of a comprehensive energy policy.

Nuclear power and synthetic fuel development are also urged, as is energy conservation, to "develop a self-sufficient energy program for America, and free us from the OPEC oil cartel."

See editorial, p. 8.

Walton reported that early feedback to the ad has been 100% supportive. He plans to monitor the public's reaction, seeking confirmation from the Congressmen involved (who have been alerted to the project), with an eye toward implementing a full-scale campaign in all Wal-Mart stores later on.

"If the campaign is as successful as I think it will be," Walton explained, "we'll follow it up with specific suggestions for new legislation that will encourage formulation of a comprehensive and effective energy policy for the country."

Asked about the possibility of confrontations with anti-nuclear activists, or anticoal environmentalists, Walton agreed that "some folks will disagree with my proposals. But every businessman has an obligation to speak his mind on an issue as important as this."

Walton counters the complaints of environmentalists in his ad. He calls for immediate industrial conversion to coal; more atomic-power-generating capability, and faster development of domestic oil production on Federal lands.

He then asks: "Would such a program harm the environment?"

"Absolutely not," claims the ad. "Unless these steps are taken soon, our people will wind up cold, hungry and unemployed—and what kind of environment is that?"

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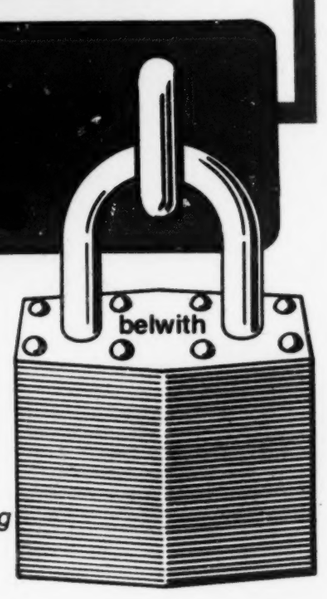

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Outlook, in View of Past Trends:

Housewares, Electrics to Buck Recession But Undergo Inflationary Price Hikes

By ARTHUR MARKOWITZ
Special DSN
Housewares Report

Housewares and electric housewares, as basic merchandise used every day by consumers, tend to be among the more recession-proof products handled by discount stores and catalog showrooms.

But housewares, in common with most other products sold by retailers, are prone to sharp price increases due to inflation.

These two seemingly contradictory trends are evident in the National Housewares Manufacturers Association's latest market study of the housewares industry and a review of the past decade of reports.

The 10-year review shows that in 1974, the year of the last recession, discounters captured a greater dollar and percentage share of manufacturers' sales to retailers than in 1973 ($1.76 billion and 30% vs. $1.6 billion and 28%), and the discounters' share was even greater in 1975 as the nation came out of the recession ($2.27 billion and 34%).

Manufacturers sold more housewares to discounters in the two years because consumers turned to discounters to save money during the 1974 recession and this buying pattern continued into 1975.

If the 1974 recession is an indication of what can happen during a down year, then discounters can look forward to another strong and steady housewares sales year in 1980.

This outlook is also in keeping with the decade-long trend for discounters, during which the industry's dollar share of manufacturers' sales to retailers has grown, despite variations in the industry's percentage share of manufacturers' sales to retailers.

In 1979, discounters' percentage share fell four percentage points to 29%. But dollars grew 20.5%, a pace that was even higher than the housewares industry's 16% boost in total volume.

The outlook isn't as clear for catalogers because the industry wasn't as important a retailer in the 1974 recession as currently.

In 1974, the catalogers' dollar-volume purchases from manufacturers grew only 2.8% from prerecession 1973, then fell in 1975 and rebounded strongly in 1976.

Catalogers' dollar share of manufacturers' sales in 1979 hit almost $1.4 billion, just behind the $1.5 billion share held by conventional department stores.

Catalogers' sharp prices for housewares and especially for electric housewares resulted in showrooms capturing a growing share of manufacturers' sales. (In 1972, the first year that the NHMA tracked showrooms as retailers, catalogers' volume was only $169 million [or 4%] of manufacturers' sales.)

The key question concerning catalogers that could be answered this year is whether consumers view showrooms as sharply priced retailers of

(Continued on page 7)

Rival Crock-Pot® sales are climbing.
Because people need them more than ever.

In 1970, Crock-Pot cooking was a welcome new convenience. In 1980, time-saving, money-saving slow cooker meals are necessities. Because the number of working women is up, and food and energy costs are up. And so are Crock-Pot sales.

Millions of working women need the original slow cooker that "Cooks all day while the cook's away."® For just pennies worth of precious energy. And the Crock-Pot tenderizes economy cuts of meat, and turns out delicious, budget-stretching one-dish meals.

Slow cookers are a basic small appliance category, and we're number one, with the largest selection of popular sizes, colors, and features. When you advertise and feature Crock-Pot slow cookers, they sell. And we're behind you, with the largest magazine schedule in our history. Plus an aggressive customer relations merchandising program aimed particularly at young and future homemakers.

You have an "unrivaled" profit opportunity, so get tough and merchandise aggressively. You'll get going sales and profit-wise with the Rival Crock-Pot line.

Rival Crock-Pot advertising appears in:

Bride's
Ebony
Family Circle
Good Housekeeping
House and Garden
Ladies Home Journal
McCall's
McCall's Working Mother
Modern Bride
People
Seventeen
Woman's Day

RIVAL® CROCK-POT®
STONEWARE SLOW COOKER

RIVAL MANUFACTURING COMPANY, Kansas City, MO. 64129. Mississauga, Ontario L4V 1E3/ RIVAL makes things better for you.™

Buyers' Time

(Continued from page 2)

buyers spend about one-third of their time in the market, and one-fourth in the stores.

"Not tomorrow, but in the future, we see the possibility of putting one buyer on staff specifically to handle the needs of individual stores," Lazarus said.

The Jamesway program includes emphasis on proper buying structure, employee motivation (with trips and awards), increased knowledge of the organization, and an employee training program.

"Employee training is an area where few companies are doing a good job. I don't think we're doing the best we can yet, but we're working on it," Lazarus said.

Hills has an intensive training program for new buyers. Each spends one week learning the store, and another week, the office. Divisional and management development training are ongoing; outside course work and continuing education are also offered.

As at Jamesway, buyers are not as responsible for distribution as they once were. The post of divisional merchandise controller has been added to cover the overseeing of distribution and individual stores, freeing the buyer to plan sales, cover markets, buy goods and plan displays.

Another innovation in merchandising was developed by Hills to save buyers' time.

"We are pushing to have the initial style selection six to eight months ahead of the season, forcing the buyer to prescreen the market. This way a buyer really has to buy what his seasonal plan dictates," Goldberger said.

Another Hills tactic, also used at Jamesway, is depending on jobbers and service organizations.

"We find it easier, cheaper and more accurate to do it this way instead of [depending on] store personnel," Goldberger explained.

Buyers are tied to their market sheets with unit plans by classification. Planning in units, not dollars, discourages buyers from heading to market with an incomplete sheet.